



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 30, 2010

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First District

MARK RIDLEY-THOMAS
Second District

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Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

REPORT ON THE STRUCTURE FOR A SPECIAL COMMITTEE ON HEALTH CARE REFORM GUIDELINES

On June 1, 2010, your Board instructed the Chief Executive Officer (CEO) to report back in 60 days on a structure for a special committee, or work group, which would operate separate and apart from the Department of Health Services (DHS), that would be responsible for looking at the regulation of health care reform guidelines and determine how DHS will meet the needs of its patients.

Related Board action on September 21, 2010, included a motion by Supervisor Molina instructing the CEO, in consultation with the Interim Director of Health Services to establish a team of experts, including health business professionals, to evaluate our existing system and provide your Board "business plan"-type recommendations for which services, specialty and otherwise, are most likely to be self-sustaining, competitive and profitable under health care reform, and provide recommendations for how to best strengthen and utilize those services to support the viability of the County's health care system as a whole, and report back within six months on the progress being made with quarterly reports thereafter.

This memorandum provides a report on the status of our efforts.

BACKGROUND

The Patient Protection and Affordable Care Act and the Health Care and Reconciliation Act of 2010 were signed into law by President Obama on March 23, 2010, and March 30, 2010, respectively. These two Acts are the product of "Health Care Reform" and will be rolled out over the course of several years. Some identified requirements are already in effect, related to new consumer protections, improving quality and lowering costs, and increasing access to affordable care.

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In addition, on November 2, 2010, the California Section 1115 Medicaid Demonstration Project, entitled "California's Bridge to Reform" (Waiver) was approved by the Centers for Medicare and Medicaid Services for the period November 1, 2010, through October 31, 2015.

Both the Waiver and Health Care Reform will drastically impact the delivery of health care in Los Angeles County and in a manner still not clearly defined, for some regulations are still to be developed. Moreover, the County's ability to comply with the expedited timeframes for implementation necessitates the development of a strategic plan to restructure ambulatory care and managed care services to ensure the existing public health system is enhanced and transformed.

STATUS

This Office, in conjunction with DHS, continues efforts to form a special committee to assess the issues set forth under the Waiver and Health Care Reform. While some preliminary work has been accomplished on an initial framework and composition for the special committee, as discussed below, the more detailed work has been delayed until the new Director of Health Services arrives in January 2011 and can provide his input on the final report and recommendations to your Board. In the interim, the initial composition of the Health Care Reform Task Force (Task Force) would include a team of experts from within the County, including DHS, the Department of Mental Health (DMH), the Department of Public Health (DPH), and the Department of Public Social Services (DPSS), along with key external stakeholders, such as health care professionals, community providers, workforce and health care advocates, and others with expertise and incentive to invest in coordinated care, integrating health and behavioral health services in the public health care system.

The scope of this Task Force will be to provide overall direction and oversight of the County's implementation of the Waiver and Health Care Reform provisions and to present findings and recommendations, as necessary, to your Board. The key areas of focus will be on the development of County policies and finance strategies related to: 1) State and federal legislative proposals impacting the directly affected departments noted above; 2) the County's employer-related functions; and 3) local advocacy at the State and federal level in order to achieve the goal of "patient-centered care" in a managed care environment for Los Angeles County.

The framework would include an Executive Leadership Team to oversee work groups formed expressly to address specific objectives, which may include, but not be limited to, specialized work groups such as:

- Leadership and Management Advisory – to formulate the short-term and long-term goals and strategies on State and federal legislative analysis across the system;
- Communications – to support development of a communications strategy;
- Health Outcomes – to develop cross-specialty performance measures;
- Information Systems and Infrastructure – to develop system designs and infrastructure; and
- Stakeholders Panel – as a forum to bring together a range of interests and ideas.

Currently, a Waiver Planning Group, consisting of the DHS, DMH, and DPH, Department Heads and Chief Deputies, is currently meeting on a regular basis, led by the Deputy Chief Executive Officer (DCEO), Health and Mental Health Services, to ensure progress in the comprehensive review and planning for Waiver implementation by the affected Departments.

CONCLUSION

As directed by your Board on September 21, 2010, this Office will report back on the progress being made to establish a Task Force to provide your Board "business plan"-type recommendations in regard to the Waiver and Health Care Reform by March 2011. The report back and recommendations will include the input of the incoming Director of Health Services, as well as other County staff and stakeholders.

Since your Board's motion on September 21, 2010, encapsulates and supersedes the motion from June 1, 2010, regarding a Health Care Reform special committee, we will consider that earlier motion addressed. Our next report will provide information on the proposed Task Force structure and model.

If you have any questions, please contact me or your staff may contact Sheila Shima, DCEO, at (213) 974-1160.

WTF:SAS
MLM:DL:gl

c: Executive Office, Board of Supervisors
 County Counsel
 Health Services
 Mental Health
 Public Health
 Public Social Services